



### Allied Health • Audiology and Hearing Aids

#### September 2005 • Bulletin 359

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##### *Medi-Cal Training Seminars*

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#### **Reminder: Billing Code and Modifier Changes for Hearing Aids and Accessories**

Effective November 1, 2005, billing codes and modifiers for hearing aids and hearing aid accessories and services will be revised in compliance with HIPAA.

#### **Interim Codes Discontinued**

The following interim HCPCS codes will be terminated:

Z3604 (postage and handling for repairs). This will no longer be a Medi-Cal benefit.

Z3606 (hearing aid rental, any type, per day). The daily hearing aid rental rate (code Z3606) will be added as the rental rate for all currently payable hearing aid HCPCS codes (V5030 – V5080, V5120 – V5150, V5170 – V5190, V5210-V5230 and V5298).

#### **Modifiers**

The following interim modifiers will be terminated:

-Y1 (rental without sales tax)

-Y2 (purchase or repair, without sales tax)

-Y6 (rental with sales tax)

-Y7 (purchase or repair, replacement parts, with sales tax)

Claims for all hearing aid and accessories codes must now be billed with national modifier -NU (purchase), or -RR (rental), as appropriate.

HCPCS code V5014 (repair/modification of a hearing aid) must be billed with modifier -RP (repair/replacement).

#### **Sales Tax**

All hearing aids and accessories are taxable. Replacement parts necessary to repair a hearing aid are taxable; labor performed during the repair is not taxable.

Updated manual replacement pages reflecting the policy changes will be published in a future *Medi-Cal Update*.

#### **CPT-4 Procedure Codes and Modifiers Billing Reminder**

Providers are reminded that they must select the appropriate CPT-4 code and modifier when billing. The CPT-4 code descriptor must match the procedure performed. *This information is reflected on manual replacement page [hcfa comp 16](#) (Part 2).*

**FFS/MCN Information Removed from Manual**

Fee-for-Service/Managed Care Network (FFS/MCN) pilot program information is being removed from the provider manual. FFS/MCN was terminated effective for dates of service on or after July 1, 2003. Information about the program, which consisted of Placer County Managed Care Network (Health Care Plan [HCP] 640) and Sonoma County Partners for Health Managed Care Network (HCP 642), was retained in the provider manual for a period of two years to help providers with final billing. *Providers should remove pages mcp ffs bil 1 thru 5 (Part 2) from their manuals.*

**Inpatient Provider Cut-Off Date for Proprietary and Non-HIPAA Standard Electronic Claims Formats: December 1, 2005**

In accordance with efforts to comply with the federally mandated Health Insurance Portability and Accountability Act (HIPAA), Medi-Cal has established a plan to discontinue acceptance of proprietary and non-HIPAA standard electronic formats for electronic claims transactions. The first provider community to be affected is the Inpatient provider community.

Beginning **December 1, 2005**, proprietary and non-HIPAA standard electronic claim formats submitted by Inpatient providers will no longer be accepted.

Providers may call the Telephone Service Center (TSC) at 1-800-541-5555 for more information.

Cut-off dates for non-HIPAA standard claim formats for all other provider communities will be announced in upcoming *Medi-Cal Updates*.

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Remove and replace: *Contents for Audiology and Hearing Aids Billing and Policy iii/iv \**  
cal child bil 1/2 \*  
hcfa comp 13/14 \*, 15/16

Remove the section  
*MCP: Fee-For-Service/  
Managed Care Network  
(FFS.MCN) Billing*

*Guidelines:* mcp ffs bil 1 thru 5

Remove and replace: modif app 3/4 \*

\* Pages updated due to ongoing provider manual revisions.